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FALSE PROFITS

Who wins

who loses

when the IMF, World Bank and WTO come to town

False Profits:
Who wins, who loses when the IMF, World Bank and WTO come to town

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GLOSSARY

The **International Monetary Fund (IMF)** offers loans to governments which are unable to pay off their debts to foreign banks and creditors – a huge and persistent problem since the advent of the "debt crisis" at the end of the 1970s. In exchange for loans, the IMF demands economic "reform" policies called structural adjustment programs. With voting rights awarded according to financial contributions, the IMF is dominated by the rich countries.

The International Monetary Fund
700 19th Street NW, Washington, DC 20431
www.imf.org; 202/623-7000

The **World Bank** Group: Created at the same time as the IMF and governed in a similar fashion, the World Bank makes loans for large infrastructure projects such as roads, dams and power plants. Since the early 1980s, the Bank has also made structural adjustment loans; now more than half of its loans are for the same sort of policy changes as the IMF demands. A branch of the World Bank, the International Finance Corporation (IFC), makes loans to private sector companies in the global south.

The World Bank Group
1818 H Street NW, Washington, DC 20433
www.worldbank .org; 202/477-1234

The **World Trade Organization (WTO)**, established in 1995, is the international organization charged with enforcing a set of trade rules covering tariffs and quotas as well as "non-tariff barriers to trade" such as food safety laws, product standards and investment policy. The WTO rules limit what tariff and non-tariff policies countries may implement or maintain. These rules are enforced by highly secretive international trade tribunals which can impose sanctions against countries refusing to change their laws to comply with the WTO.

The World Trade Organization
Geneva, Switzerland
www.wto.org; 011/41/22/739/5111

Rede Brazil (Brazil Network on Multilateral Financial Institutions)
Brasilia, Brazil
www.rbrasil.org.br
011/55/61-321-6108

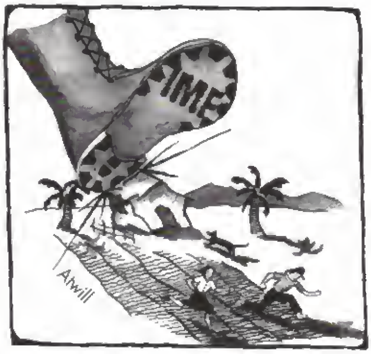
Jubilee South (international Southern Network for debt cancellation)
www.jubileesouth.net

Jubilee 2000 UK
London, England
www.jubilee2000uk.org
011/44/207/739/1000

Bretton Woods Project
London, UK
www.brettonwoodsproject.org
011-44-20-7523-2170

Halifax Initiative
Ottawa, ON, Canada
www.sierraclub.ca/national/halifax
613/789-4447

European Network on Debt & Development
Brussels, Belgium
www.oneworld.org/eurodad
011-32-2-5439060



When the International Monetary Fund (IMF) and World Bank arrive in southern countries, corporate profits go up, but so do poverty and suffering. Decades of promises that just a little more "short-term" pain will bring long-term gain have exposed the IMF and World Bank as false prophets whose mission is to protect those who already control too much wealth and power.

Founded in 1944 and housed in Washington, DC, the IMF and World Bank are the architects of the global economy. The policies they impose on indebted countries support a corporate agenda at the expense of people and the environment. The World Trade Organization (WTO) enforces and expands the powers that corporations have won over developing countries through IMF/World Bank programs and newly imposes these rules on the rich countries.

On April 16, 2000, finance ministers and central bankers from some 25 countries, as well as officials of the IMF, World Bank, and WTO – a veritable Board of Directors of the Global Economy – are coming to Washington, DC...and activists from around the world will be there to meet them!

50 Years Is Enough Network

Don't Bank on Them!

For two decades, the International Monetary Fund and the World Bank, institutions controlled by a handful of rich countries, have played a decisive role in determining the economic and social policies of poor countries.

When countries of the global south are unable to pay their foreign debts, the IMF and World Bank provide new credit. But they do so with conditions attached: Borrower countries must change their policies to fit the IMF's ideology and to make the economy more attractive to foreign investors.

The policies imposed by the IMF and the Bank, often referred to as "structural adjustment," typically include reducing government spending, removing taxes on exports and imports, eliminating barriers to foreign ownership and repatriation of profits, privatization of public services and high interest rates. All of the IMF's lending, and most of the lending of the World Bank, is tied to these policies. (The rest of the Bank's lending is for "development" projects such as large hydroelectric dams, roads, coal plants, etc.)

Structural adjustment has battered the global south. Consider Mozambique. Workers there used to process the cashews grown in their own country. To protect the thriving nut processing industry, the government put a tax on the export of raw, unprocessed cashews. In the interest of removing trade barriers, the World Bank and the IMF ordered the export tax removed. As a result, processing shifted to India, where children working at home shell the nuts. In Mozambique, 10,000 adults (mostly women) lost their factory jobs.

In Haiti, the IMF and World Bank blocked the government from raising the minimum wage and then demanded the privatization of profitable public companies which generated revenue for desperately needed services. The IMF insisted that Haiti should cut government services by half, in spite of a national shortage of teachers and health care workers, a life expectancy of 49 years for men and 53 years for women, 45% literacy and infant mortality running at nearly 10%.

Center for Economic Justice

Women

Women's International League
for Peace & Freedom
Washington, DC
202/546-6727

Women's Environment & Development
Organization
New York, NY
www.wedo.org; 212/973-0325

Youth and Students

180/Movement for Democracy and Education
Madison, WI
www.corporations.org/democracy/
608-262-9036

JustAct: Youth ACTion for Global JUSTice
San Francisco, CA
www.justact.org
415/431-4204

Student Alliance to
Reform Corporations
www.corpreform.org

IWW

International

Freedom from Debt Coalition
Manila, Philippines
www.fdc.org.ph; 011/632/9211985/4335537

Third World Network
Penang, Malaysia
www.twnside.org.sg; 011/60/4-2266728

Alternative Information & Development Centre
Cape Town, South Africa
www.aidc.org.za
011/27/21-685-1565

Focus on the Global South
Bangkok, Thailand
www.focusweb.org
011/66/2-218-7363/7364/7365

EcoNews Africa
Nairobi, Kenya
www.web.apc.org/~econews
011/254/2-721076

Impact on the U.S.

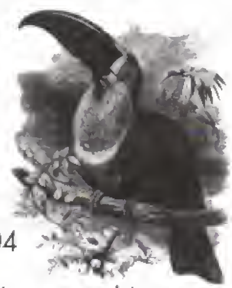
United for a Fair Economy
Boston, MA
www.stw.org; 617/423-2148

Kensington Welfare Rights Union
Philadelphia, PA
www.libertynet.org/kwru
215/203-1945

Project South
Washington, DC
www.peacenet.org/projectsouth/
301/320-4034

Environment

Friends of the Earth-U.S.
Washington, DC
www.foe.org
202/783-7400



Rainforest Action Network
San Francisco, CA
www.ran.org; 415/398-4404

Center for International Environmental Law
Washington, DC
www.ciel.org; 202/785-8700

International Rivers Network
Berkeley, CA
www.irn.org; 510/848-1155

Student Environmental Action Coalition
Philadelphia, PA
www.seac.org; 215.222.4711

Sweatshops

Campaign for Labor Rights
Washington, DC
www.summersault.com/~agj/clr
541/344-5410

United Students Against Sweatshops
Washington, DC
www.umich.edu/~sole/usas
202/667-9328

Whose Debt?

Debt consumes many African, Latin American and Asian countries, robbing them of their future. Money paid on interest and principal can't be used for clinics, clean water or other domestic needs.

When interest rates rose in the late 1970s and early 80s, country after country no longer could keep up with payments on loans that had been pushed on them by foreign banks and the World Bank. Default (and a shut-off of credit) loomed. The IMF offered new loans to southern countries in exchange for harsh programs known as structural adjustment, which slowed economic growth and geared their economies to provide cheap labor and natural resources for foreign corporations.

Many southern countries' debts were run up by corrupt dictators who stayed in power through the support of the U.S. and other powerful countries. The U.S. backed Mobutu in Zaire (now the Democratic Republic of Congo), for example. And the IMF, though it knew by 1982 that its loans went straight into Mobutu's personal accounts, approved additional billions. Now that Mobutu is gone, the people of that devastated country are expected to cover his debts.

The poor countries of sub-Saharan Africa now owe more than $200 billion in foreign debt – three times more than they earn annually in exports. About 20 percent of sub-Saharan African countries' export income (not counting South Africa) goes to make interest payments on foreign debt. A huge part of their economies must be devoted to producing goods for export – with the resultant income sent back out of the economy and not available for domestic use.

A worldwide Jubilee 2000 movement has been pressing for cancellation of southern countries' debt. But the very modest "relief" offered by the IMF and World Bank is conditioned on especially severe structural adjustment. Governments agreeing to such conditions can end up even more indebted!

50 Years Is Enough Network

Asian Financial Crisis

When urging countries to open up their markets and promote low-wage export production, the IMF used to cite South Korea as an example of a nation which had followed that path all the way to prosperity. Nice story, but South Korea built its economy by ignoring key IMF recommendations. In the 1950s, South Korea embarked on a program of rapid industrial development. The key to its success was government intervention in economic development:

- Land reform boosted domestic agriculture.
- Government industrial policy promoted technological development.
- Strict taxation provided a source of domestic capital for designated industrial sectors.
- Heavy tariffs protected domestic industries in their formative stages.

In the 1980s and 90s, following IMF advice, South Korea increasingly opened its economy to volatile short-term international lending.

In 1998, there was a sudden reversal of investment flows. The South Korean currency plunged and the economy began to shrink.

The IMF attached austerity requirements to a "bailout" loan – high interest rates and budget tightening that made the crisis worse. Then it insisted on the following conditions:

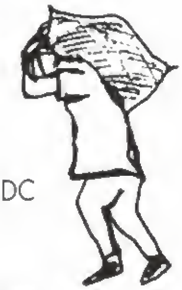
- Lower trade barriers even further.
- Sell the assets of conglomerates cheaply to foreign corporations.
- Permit 100% foreign ownership in banking and

Contacts

General

50 Years Is Enough:
U.S. Network for Global Economic Justice
Washington, DC
www.50years.org; 202/463-2265

Center for Economic & Policy Research
Washington, DC
www.cepr.net; 202/265-3263



Global Exchange
San Francisco, CA
www.globalexchange.org
415/255-7296

Essential Action, Washington, DC
www.essentialaction.org
202/387-8030
To join the stop-imf e-mail listserver, send a message with the text: "subscribe" to stop-imf-request@lists.essential.org

International Development Exchange
San Francisco, CA
415/824-8384; www.idex.org

Preamble Center
Washington, DC
www.preamble.org; 202/265-3263

Agriculture & Food Security

Institute for Food & Development Policy (Food First)
Oakland, CA
www.foodfirst.org
510/654-4400

Trade

Public Citizen's Global Trade Watch
Washington, DC
www.tradewatch.org; 202/546-4996

Institute for Agriculture & Trade Policy
Minneapolis, MN
www.iatp.org; 612/870-0453

Bankrupting the Bankers

The weapon of choice for the IMF and World Bank is cash. Without money to lend, they could not coerce governments into adopting devastating policies and they would not be able to support huge dam and pipeline projects which threaten the environment and benefit only corporations. If deprived of cash, those institutions would be deprived of their power.

An international campaign called "Bankrupt the World Bank" aims to force change on the World Bank by shutting off its money supply. Eighty percent of the Bank's cash comes from bonds it issues. Many of those bonds are purchased by institutions like universities and pension funds. As in the campaign against apartheid proved, popular pressure can force such institutions to look for less controversial investments. As the popularity of World Bank decreases, so will their value – even to investors who might not otherwise care about our campaign. Starved of money, the World Bank will have to change its ways or face closure. For more information, visit the <www.worldbankboycott.org> web site or call the Center for Economic Justice at (202) 265-3263 x.284.

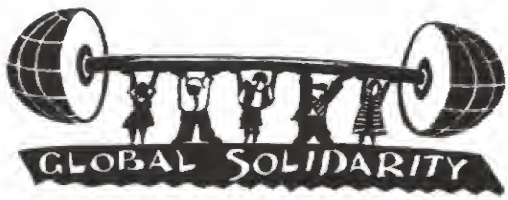
Money from governments – taxpayer's money – supports the IMF. (Our tax dollars also provide the foundation of World Bank funding.) U.S. taxpayers have a special opportunity – and responsibility – to influence how much money goes to the IMF and World Bank. The U.S. is the largest contributor to those institutions and sets the example for other countries in their funding. Consequently, the U.S. Congress is the only democratically elected body that the IMF and World Bank really respect...and fear. And lately, both Democrats and Republicans have expressed their skepticism and impatience with these institutions (the IMF in particular). Your Senators and Representative need to hear that you support de-funding of these institutions. Write them at: U.S. Senate, Washington, DC 20510 and U.S. House of Representatives, Washington, DC 20515 or call the Capitol switchboard at (202) 224-3121.

financial sectors.

- Raise interest rates (making it hard for domestic companies to borrow).
- Cut health and other social spending.
- Overrule South Korean law to permit massive layoffs in struggling industries.

The loan rescued reckless foreign lenders at the expense of the South Korean public and domestic industries. The humiliation of being laid off caused many workers to take their lives. (South Koreans call these "IMF suicides.") Accepting the burden of IMF debt repayment and the conditions that go with it have been a kind of national economic suicide for South Korea.

Economic Literacy Action Network and JustAct: Youth ACTion for Global JUSTice



Russia

The IMF's intervention in Russia has been one devastating failure after another. Within four years of its program entering into effect in 1992, the country's national income had dropped by about one-half, a disaster worse than the U.S. Great Depression. The number of Russians in poverty rose from 2 million to 60 million. Male life expectancy fell from 65.5 years to 57. A collapse of this magnitude is historically unprecedented in the absence of war or major natural disaster.

Having hewed to the IMF's dictates, Russia has seen most of the collapsed cash economy replaced with barter, making it difficult to collect taxes. IMF demands for rapid privatization of industry led to an explosion of corruption and organized crime.

Center for Economic & Policy Research

Sweating for Nike

In the late 1980s, Taiwan and South Korea began to democratize and permit unions. Nike put on its running shoes and moved from those countries to Indonesia, where U.S. military aid helped keep a brutal dictatorship in power. World Bank and IMF loans rewarded the Indonesian government for luring foreign-owned factories with the promise of cheap labor. Army units stood ready to prevent workers from demanding adequate pay.

The World Bank and foreign investors winked at corruption (including skimming from Bank loans) destroying Indonesia's economy from within. In 1997, several "Asian miracle economies" came unglued and international currency speculators ditched their holdings. In the fallout of the currency crash, wages of the young Indonesian women producing Nike shoes dropped from $2.46 a day to about $1.00.

Rushing to bail out foreign bankers who had bet on the now-collapsed Asian economies, the IMF loaned billions to Indonesia and other governments. In exchange, the IMF demanded a new round of structural adjustment. In Indonesia, a stranglehold on loan credits to local businesses threw the region further into depression and prolonged the agony for working people.

An international movement is challenging IMF-style globalization, which requires governments to

cial transactions in the United States could easily raise more than $100 billion a year. An international tax on currency transactions could raise even more money. Since the vast majority of these transactions are carried through by relatively wealthy individuals or their agents, a financial speculation tax will be very progressive. The revenue could be used to fill a variety of unmet social needs.

Center for Economic and Policy Research

The Annual Spring Meetings of the IMF and World Bank

On April 16, limousines carrying the finance ministers and central bankers of some 25 countries and the heads of institutions such as the World Trade Organization are slated to pull up in the driveway of the International Monetary Fund for the spring meeting of the IMF's International Monetary and Financial Committee.

For 20 years, under one name or another, the Committee has set the economic policies which the IMF imposes on debtor countries, including most of the world's poorest countries. Throughout Africa, Asia and Latin America, those policies are responsible for massive impoverishment and unemployment, environmental devastation and loss of sovereignty to corporations.

On April 17, the World Bank's corresponding but less powerful Development Committee is scheduled to meet. Its mission is to monitor the financial health of southern economies.

Operating in secret, these bureaucrats pave the way for corporate profits, all the while claiming to promote development and poverty reduction. We must put them on notice: Seattle was not just a speed bump on their road to corporate domination!

COME TO WASHINGTON April 8 for a week of teach-ins, trainings, lobbying and other action leading up to the protests at the IMF/World Bank on April 16 and 17. See <www.a16.org>.

Financial Speculation Taxes

In the last quarter century the volume of trading in financial and currency markets has exploded. In the United States alone, the volume of trading in stocks is now approaching $20 trillion annually. Trading in currencies exceeds $200 trillion a year worldwide. The vast majority of these trades involve short term transactions, lasting days or even hours. These trades do not facilitate long-term investment or economic development in the least. In fact, they are really just a form of gambling.

Subjecting financial transactions to a small tax (e.g., 0.25% on the sale of a share of stock) would mean treating this form of gambling in the same manner as governments treat other forms of gambling. This follows one of the most basic principles in economics, that similar activities should be treated in the same way. Since the massive volume of short-term trading increases the volatility of financial markets, a small transactions tax can make these markets more stable by reducing the volume of trading. This would reduce the size of fluctuations in domestic financial markets, and decrease the probability of the sort of devastating speculative runs on currencies recently experienced in East Asia, Russia and Brazil.

A tax on speculation could also raise an enormous amount of revenue. A tax on domestic finan-

compete in driving down wages in order to attract footloose companies like Nike. And protests in support of an Indonesian union organizer (fired after distributing Nike's own workplace code of conduct) have won his reinstatement.

Campaign for Labor Rights and United Students Against Sweatshops

The Selling of El Salvador

Insider deals, 400% rate hikes, death threats and blatant violations of labor law marked a typical World Bank-funded "success story": privatization of El Salvador's telephone company.

ANTEL was a profitable public enterprise, year after year pumping tens of millions of dollars into El Salvador's health and education budgets, and providing 4,000 good jobs. The union offered a plan to keep the company public, increase efficiency and dump ANTEL's corrupt top management. It took its case to the people; more than half opposed privatization.

But the preferences of ANTEL management and the World Bank, both of which favored privatization, counted for more. ANTEL management said publicly that a strong union would discourage potential buyers and in 1998 proceeded to fire 72 union leaders and break a contract signed days before. Soon thereafter, and with assistance from the World Bank, the government sold ANTEL to a secret joint venture operated by France Telecom and El Salvador's ruling families.

Now the World Bank is pushing for the privatization of El Salvador's health care system. As this

booklet goes to press, thousands of Salvadoran health care workers are in the third month of a strike which is receiving strong community support.

United for a Fair Economy

Steel

Structural adjustment programs have squeezed U.S. workers, as well as those in the global south. United Steelworkers of America president George Becker has repeatedly criticized IMF bailouts conditioned on slashing government spending on health, education and the other services necessary for maintaining a viable society. These harsh austerity programs drive the domestic economies of foreign countries into recession and even depression.

In 1998 and 1999, more than 10,000 U.S. steelworkers lost their jobs, due to layoffs and plant closures in the face of a surge of imports from Russia, Brazil and Japan.

With steel manufacturers in these weak or collapsing economies losing their domestic sales outlet, they re-routed their product to the U.S. market. Plummeting currencies make it possible for producers in these countries to undercut U.S. steel makers.

Ending structural adjustment is a win-win proposition for workers north and south.

Campaign for Labor Rights and United Students Against Sweatshops

Stumps Don't Lie

World Bank and IMF structural adjustment policies are driving forces for deforestation in debtor countries. Paying interest on foreign debt through increasing exports puts tremendous pressure on governments to generate fast cash. Forest exploitation provides a source of hard currency required to pay interest on loans.

Structural adjustment also forces a shift from small-scale farming (for local consumption) to large agribusiness operations for export. Lowland forests are cleared for expansion of large farms while displaced small farmers denude the steep uplands of their trees.

THE RESULTS:

- Of the thousands of deaths in Central America resulting from 1998's Hurricane Mitch, many

- Wages and working conditions for the workers (mostly young women) employed in China's production-for-export sector have deteriorated as China's international trade has increased.

And the Chinese government has pledged that, as a member of the WTO, it would block any attempt to change the WTO so as to stop WTO's attacks on human rights, labor rights or environmental policies.

Opposing PMFN and WTO membership for China is an act of solidarity with the majority of the Chinese people. Because they are prevented from advocating openly for their own rights, we should mobilize all the harder here.

Public Citizen's Global Trade Watch

Taking on the WTO

More than 1,500 organizations worldwide signing onto the global unified theme of "No New Round – Turn Around" (see www.tradewatch.org for a listing) paved the way for the historic victory in Seattle – where WTO expansion was blocked.

Now even WTO Director General Mike Moore has been forced to admit that the WTO may need an overhaul.

The "WTO: Fix It or Nix It" campaign aims to ensure that fake reforms do not stem the momentum against the WTO status quo. It specifies demands for significant changes to the WTO which must be accomplished before its next ministerial summit in 18 months. At its launch, the campaign will announce that absent these changes which would truly transform the WTO, citizen groups will launch campaigns worldwide to terminate WTO funding and/or have countries withdraw.

Among the demands being considered: removing rules protecting intellectual property rights (embodied in the TRIPS agreement) from the WTO; requiring that enforcement of international environmental, development and health agreements be immune from WTO challenges and restoring each country's right to establish the level of protection it desires in the realms of health, safety and the environment.

Public Citizen's Global Trade Watch

Stop the Corporate Takeover of China – No Permanent MFN

Corporate globalization suffered a stinging loss in Seattle. We stopped expansion of WTO's agenda. So now a corporate coalition is bankrolling a $20 million campaign to expand WTO membership by adding China, the biggest economy not yet included. As early as May, The U.S. Congress will consider Permanent Most Favored Nation status for China (PMFN, now euphemistically labeled "Normal Trading Relations").

Corporate interests view the PMFN vote as pivotal. PMFN would eliminate Congress' annual review of China's human rights record, labor standards and environmental protections and jump start the trade *über alles* approach to globalization.

Increasingly, corporations are moving production to China in order to profit from 13-cent per hour wages and a brutally enforced ban on independent unions. And workers, whether in the global north or global south, are under increasing pressure to accept rollbacks and to abandon organizing drives in order not to lose their jobs to the sweatshops of China. PMFN means corporations around the world which use sweatshops (and even forced labor camps) in China would have unconditional, guaranteed access to the U.S. market.

While the corporations gain, PMFN and WTO membership for China would be a setback for working people and farmers in China:

- Chinese government reports document that compliance with WTO rules would cause 10 million Chinese farm families and 5 million non-agricultural workers to lose their jobs.
- Since the Clinton Administration adopted so-called "constructive engagement" (i.e., unconditional and increased trade) with China six years ago, Amnesty International and even the U.S. State Department report that human rights have dramatically deteriorated – with most leading Chinese democracy and labor activists executed, imprisoned or exiled. Those lucky enough to be in exile, like Wei Jingshen, are leading the campaign against PMFN.

were directly attributable to mudslides on deforested slopes.

- Foreign corporations now have logging rights to more than half of Guyana's loggable forests.
- Under structural adjustment since 1993, Benin's exports of sawn wood increased four fold between 1992 and 1998.

Despite such consequences, the World Bank and IMF balk at integrating forest concerns into structural adjustment and lending programs and they exclude local people from the economic decisions by which they live and sometimes die.

Friends of the Earth-U.S.

Teaching Poverty

Debt and structural adjustment are robbing the world's schoolrooms. Debt forces governments to allocate huge sums of money that could be spent on education to debt repayment. Structural adjustment makes the problem worse, as the IMF and World Bank demand government spending cuts and privatization measures in education.

What money remains for education goes to primary schools, with education beyond elementary levels shifting to a fee-for-service basis.

In Mexico, the Bank advised the government to abolish constitutionally guaranteed free education at the national university, provoking a lengthy student strike. The rich get an education. The poor get sweatshop jobs.

180/Movement for Democracy and Education

Globalization and AIDS

HIV continues to ravage much of Africa, with as many as one in four people infected in some regions.

IMF and World Bank structural adjustment policies can worsen poor countries' AIDS burden in several ways. First, in undermining rural subsistence economies, they encourage migration, often by one partner only, with the resultant breaking up of stable sexual units. Second, transportation infrastructures designed to support the export economy rapidly shuttle people between urban and rural areas, promoting the spread of disease. Third, increasing urbanization and dislocation promote growth of the sex and illicit drug industries. Fourth, ongoing debt payments mean less money for disease surveillance, condom distribution, education and sexually transmitted disease treatment. User fees promoted by the World Bank and IMF reduce clinic utilization, including at STD clinics.

The vast majority of HIV-infected people have not benefited from recent gains in HIV treatment. Pharmaceutical company price gouging makes the treatments prohibitively expensive. The U.S. government has made the problem worse by threatening trade sanctions against countries seeking to use compulsory licensing and parallel imports to make AIDS and other drugs more affordable, even though these policies are permitted under the WTO.

The prospects for fully preventing and treating AIDS in the global south are bleak. But without these IMF – and World Bank – inspired policies, and U.S. threats of trade sanctions, poor countries would not be fighting the epidemic with one hand tied behind their backs.

Public Citizen's Health Research Group

Globalization Is Not Color-Blind

QUESTION: What do the following have in common?

- Welfare "reform" in New York and government layoffs in El Salvador.
- Denial of credit in inner cities and withdrawal of credit for small farmers in Kenya.
- Declining real wages in the U.S. and skyrocketing unemployment in Mexico.

ANSWER: The negative impacts of corporate control of the economy, exacerbated by globalization, are disproportionately borne by the world's peoples of color.

The U.S. government promotes corporate interests at the expense of working and poor people in the U.S. The IMF and the World Bank do the same in the global south, using debt burden to coerce governments to adopt policies which are throwing millions into extreme poverty. North and south, it is people of color who get the short end of the stick.

Political solidarity is in our own best interest. Forcing the U.S. government to use its outsized power in the IMF and World Bank to demand total, immediate and unconditional debt cancellation for our relatives in the south would weaken corporations' deadly grip over our own lives. To eradicate poverty in communities from Los Angeles to Mozambique, we should start thinking *and* acting locally *and* globally.

Black Radical Congress

A Debt Unpaid

Never hesitant to exact loan repayment in perpetuity for projects it has funded (even failed projects), the World Bank balks at paying its own debts. In the case of the Chixoy dam, it is a blood debt.

In 1982, the World Bank teamed with a brutal dictatorship in Guatemala known to be waging a war of annihilation against Mayan communities. The village of Rio Negro stood in the way of the Bank's plans to construct a hydroelectric dam. After villages refused to relocate from their ancestral lands, the Bank averted its eyes when the army massacred some 400 Maya, mostly women and children.

Despite sending numerous missions to oversee the project during construction, the Bank kept silent about the massacre until 1996, when human rights groups forced the issue. The Bank's own internal investigation then absolved it of responsibility. Further, Bank officials claim that a program providing inferior lands more than a decade after such massacres sufficiently mitigated the survivors' trauma, on the grounds that their 1980 standard of living has been restored.

An international campaign is holding the World Bank accountable to pay reparations for the disasters it has caused by financing dams and other "development" boondoggles. This is debt repayment we can endorse!

International Rivers Network and Rights Action

Trading Freely in Hunger

IMF and World Bank-directed structural adjustment programs force countries to change their policies to de-emphasize feeding their own populations and to focus instead on exporting food and other farm products to the global north.

Contrary to the theories of well-banqueted IMF economists, increased trade in food often goes hand-in-hand with an increase in global hunger. Local people can't eat exported food, and government support flows from areas of need toward where the dollars are.

In the late 1980s, for example, following IMF dictates, Bolivia experienced the most spectacular agricultural export growth in its history. By 1990, 95% of Bolivians in rural areas were living below the poverty line.

Thanks in large part to IMF, World Bank and WTO mandates:

- New investment policies allow foreign-owned corporations to appropriate fertile areas, leaving displaced local farmers to choose between tilling slopes prone to deadly mudslides, clearing rainforests for new cropland or seeking employment in urban sweatshops.
- Governments prune back assistance to small farmers (often women in the global south) while agribusiness giants reap a harvest of corporate welfare.
- Foreign companies patent seeds developed by indigenous peoples over the course of millennia.
- Governments oppose agricultural worker unions.
- Export agriculture promotes chemical-dependent farming which poisons the earth and puts crops at risk of global plagues.

Food First

Privatize Your Retirement?

In its main study on pension reform, "Averting the Old Age Crisis," the World Bank proclaims: "The world is approaching an old age crisis. In industrial countries, escalating costs threaten to overwhelm public pension plans – even as these plans frequently impede overall growth. Nations developing formal old age security systems risk repeating the industrial countries' costly mistakes." This 'costly mistake' is the largest anti-poverty program in the U.S., keeping half of its senior citizens out of poverty.

The Bank prefers Chile's privatized pension system – rarely noting that this system was imposed by a military dictatorship. The administrative costs of Chile's system are more than 15 times that of our publicly administered Social Security program.

The World Bank promotes some form of privatization of national social insurance programs through adjustment loans, technical assistance, and project lending – in more than 30 countries. Adjustment loans, which mandate policy reforms and are tied to strict conditions, have been used to finance transition costs to partially private pension systems in Argentina, Mexico, Uruguay, Hungary, Russia and Brazil.

In the U.S., World Bank research and work by its economists have aided rightwing think tanks and advocacy groups working to privatize Social Security by cutting benefits, increasing retirement age and cutting annual costs of living adjustments in order to fund risky individual stock market accounts.

Center for Economic & Policy Research

Corporate Welfare Queens

Showering hundreds of millions of dollars on oil companies and two of the world's most corrupt governments, the World Bank is poised to create an environmental and social nightmare in Africa with the $3.5 billion Chad/Cameroon oil pipeline project.

The World Bank will subsidize development of oil fields in southern Chad, a politically unstable country which already has been the scene of horrific human rights abuses at the hands of government officials. Then Bank funding will help ExxonMobil and its partners, Chevron and Petronass, develop a 600-mile pipeline from Chad through Cameroon.

The project is supposed to promote development and alleviate poverty, but revenues are much more likely to end up in oil companies' coffers and the pockets of corrupt Chad and Cameroon officials than any local communities. The pipeline will run through or near environmentally sensitive forests, watersheds and coastal areas of Cameroon, threatening the Baka and Bakola (often incorrectly referred to as Pygmies) indigenous people who reside there, as well as endangered species, including chimpanzees, gorillas and forest elephants.

Rainforest Action Network

Women's Labor and Globalization

Women and their labor are the unspoken factor in the globalization equation.

The cuts in social programs mandated by structural adjustment in the Third World have a devastating and disproportionate impact on poor women and children. For instance, women are expected to take on the extra burden of caring for sick parents and children when the government cuts services.

Women's labor is key to attracting the transnational investment that is integral to globalization. It is young women – believed to be less likely to organize and demand decent wages and working conditions – who populate Nike, Wal-Mart and other sweatshops from Haiti to Indonesia.

Women's labor is many countries' most valuable export. Hundreds of thousands of women from countries like the Philippines have been encouraged to seek work in other countries when none is available at home. Living as strangers in foreign households, these women send cash to their families, but sacrifice the legal protections of citizens and often face sexual abuse and physical intimidation. Other women are forced into prostitution and the sex tourism industry.

Center for Women's Global Leadership